

Board Paper

Paper 21.35

Date

27th October

Title

Developing the OEP Culture and Values

Report by

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Paper for decision/discussion

Open paper

Issue

1. Our strategic framework describes culture as a catalyst, able to either support or impede the success of the OEP. As we approach our launch, onboard new staff and start delivery of our functions, we wish to define the values and culture that will guide and unify our actions, so that our culture supports our success.
2. We are not starting from zero. Various intentions have been voiced and documented around culture. This paper sets out a plan to diagnose the current culture, describe the culture and values that the OEP needs to succeed and engage the team to help deliver it.

Recommendation

3. The Board is asked to note the culture development plan set out in this paper and give a steer on two high level questions:
 - a. What factors do you wish us to consider in developing the culture of the OEP?
 - b. Can you describe the culture that you think the OEP needs to have, to succeed?

Background

4. Culture is the unspoken glue that holds an organisation together. Yet conversations about organisational culture often drift towards cliché and are often confused with engagement.

Culture is the behaviour that an organisation displays as a collective. It is more enduring than engagement, which describes the feelings that individuals have towards the organisation, although there is a clear link between the two.

5. If we can correctly define the culture we need to succeed it should accelerate our:
 - a. Ability to act with purpose, as one organisation and deliver our priorities
 - b. Organisational resilience. In our case, this includes our ability to work flexibly, in uncertainty, at pace
 - c. Ability to attract and retain high quality employees and support their development
6. Developing the OEP culture and values is a priority for OEP launch. It will galvanise our ability to punch above our weight and simultaneously avoid issues arising from a lack of clear behaviour expectations. Prioritising this work should also address risks voiced informally. For example, a passion for environmental principles overwhelming pragmatism to make change, silo working/ inflexibility and disempowered staff.
7. We already have a mission statement and defined brand values; independent, strategic, expert. These brand values are aspirational, they reflect how we wish to be seen by others, but to achieve this, those brand values require translation into tangible behaviours that will underpin our organisational culture. It is commonplace to capture these in a culture charter.
8. A culture charter is usually developed through consultation and clarifies how the organisational values should be lived by setting out the behaviours that all employees are required to commit to and uphold. All of our people should be able to hold themselves and each other accountable for demonstrating these behaviours and values. This means that they should resonate meaningfully and genuinely with our people and should be modelled consistently by our leaders.
9. We do have a team charter, inherited from the NETL Directorate (Defra) and of course, the interim OEP already has a culture, albeit one that has grown more organically than by design. We may wish to retain aspects of this culture but clarify it and identify aspects that need to change. Whilst we can define organisational values, culture cannot be mandated. It is important to recognise that every individual has a set of values that guide their behaviour. These don't change with context, hence the importance of recruiting those with values that compliment rather than contradict the organisational values. That said, culture can be guided and developed through purposeful action and effective leadership.
10. Whilst the culture and values work will deliver two tangible outputs; values and a culture charter, the conversations along the journey will be as important as the outputs in terms of facilitating self-reflection and developing understanding and consensus.
11. In parallel we are developing our strategy, which will speak to the culture of the organisation at a high level. The timeline for the approach to culture and values is therefore guided by the strategy consultation milestone of 24 January 2022.

Analysis

12. Looking at the cultural landscape of other organisations, many define high level values but fail to translate these into tangible behaviours that empower their people to walk the talk and hold one another accountable.

13. Environmental Standards Scotland has defined four values; independent, transparent, trusted, effective.
14. As has Natural England (ambitious, integrity, inclusive, collaborative). It has also taken a step to define what these mean internally. For example.

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15. The Environment Agency has several culture statements for both internal and external audiences:
 - Yes, if: we will take this approach in all that we do
 - Think big, act early, be visible
 - Seek partnership show leadership
 - Focus on outcomes not process
 - Embrace difference, include everyone
 - One team: support and trust each other to do the right thing
 - Stay sage and grow invest in the wellbeing and development of all
16. The suggested approach for the OEP is intended to go further.
17. Whilst documenting values is important, it is just the start of the culture journey. Behavioural expectations need communicating and embedding, often through difficult conversations that hold one another accountable to values, be that performance management or regularly honest feedback. The approach set out in implementation timescale relies upon engagement with employees across all levels of the organisation to develop a sense of collective ownership of our values, empowering everyone, regardless of grade, to show leadership and live them.
18. The executive team will be a key part of the culture journey, but since they will not join us until mid-January, we propose a two-phase approach: preparing high level value wording for the strategy by mid December 2021 and a more detailed culture charter for the end of February 2022
19. In more detail, step one of the suggested approaches is to diagnose the current culture. This has begun, with a short survey amongst new starters that joined the organisation in the last few months. We had nine survey responses by 20 October, which describe the culture that our new starters have observed (Annex I). In summary they describe a collaborative family culture, with high flexibility but limited diversity.
20. A discussion with the Senior Leadership Team (SLT) on 26 October reflected similar views on the current culture, albeit highlighting our focus on hierarchy around decision making and an ambition to be innovative, although innovation is not a silver bullet. SLT reflected that the development work on culture should focus on the longer-term, which might be a distinct culture from that required in the establishment phase. A proportionate approach to wellbeing that encourages self-reflection and development of all staff will be important.
21. The next step will be engagement sessions with all staff and the leadership team to collect thoughts on the current culture, using a [comparative values framework](#) to identify and listen

to opinions. This engagement will seek views on aspects of the current culture that we should nurture and those that need to change to catalyse the success of the OEP.

22. Alongside engagement we will consider existing work on culture and values related to culture we inherited:
 - a. PA consulting work on brand values and culture; and
 - b. a team (culture) charter from the Defra NETL Directorate
 - c. OEP employee engagement results from the Defra monthly wellbeing survey
23. In addition, the Interim OEP team has developed.
 - a. the OEP Design Principles
 - b. several HR and finance policies
 - c. a mission statement
 - d. a guiding policy
 - e. an external persona built via stakeholder engagement to date
 - f. a survey on the present team culture
24. **Question 1-** What other factors do the Board wish us to consider in developing the culture of the OEP?
25. Step three will see the development of high-level draft values for inclusion in the draft strategy and approval from the Board for public consultation.
26. Step four will engage the executive team, once they arrive followed by further engagement with Division staff on a culture charter, for adoption by the end of February.
27. The development of the culture does not stop here, we must then live it and hold one another accountable to it. This approach should generate the buy in and provide a clear set of expectations and common language for us to do so.
28. **Question 2-** Can you describe the culture that you think the OEP needs to have to succeed?
29. **On 04 November we will ask each Board member to speak for 1 minute without interruption on each question.**

Finance and Resource

30. There will be a time cost for engagement of 2-3 hours per employee over the next 4 months.
31. In addition, the leadership team (26FTE) will commit a day on 17 November and the executive team up to 2 days. We are seeking quotes for external facilitation of these sessions.

Impact Assessments

Risk Assessment

32. There are several risks that may arise if we don't get organisational culture right, spanning delivery, performance, recruitment, and retention of staff.

33. The leadership team must be live to and challenge behaviour that undermines the development of the culture we want. If leaders do not walk the talk, conflicting messages may create distrust and cynicism, which can prompt others to justify behaviours outside OEP values.
34. Lastly there is a risk that in being clear about the culture the OEP needs to succeed we may alienate individuals. This is to be weighed against the larger long-term risk that antagonistic behaviours develop.

Implementation Timescale

Date	Engagement	Description
20 October	New starter culture survey	Seek views on the culture new starters have observed since joining
26 October	Senior Leadership Team	Assurance on culture & values approach
4 November	Board Session	Share the culture and values approach and seek high level input using liberating structures 2 rounds of 1-minute answers
4 November	Extended cascade	Seek all team views on the culture we have and the culture we need via a survey circulated in advance of the cascade, followed by a Miro board facilitated session. Utilise competing values framework.
17 November	Leadership Day	Externally facilitated session covering: <ul style="list-style-type: none"> • Organisational resilience • Flexible working model • OEP Voice • The culture we have & the culture we want
22 November	Strategy & Functions Delivery Working Group	Finalise high level value wording for strategy draft drawing on insights from engagement and existing documents.
2 December	SLT	Review high level value wording as part of draft strategy consultation
14 December	Board Session	Values wording to be included in the draft strategy to the Board for consultation
Late January	Executive engagement on culture & values	Further session to develop a more detailed Culture Charter with leadership team, including the new executives. A 2-day executive away day, possible facilitated by Team Genie is proposed.

Early February	Team Engagement	On draft culture charter
February end	Culture charter	Communicate and embed culture charter

Communications

External Stakeholders

35. External Stakeholders will be consulted on high level values in the draft strategy as part of the wider consultation.

Internal Stakeholders

36. The senior leadership has been consulted on and approved the approach set out to develop the OEP culture and values.

ANNEXES LIST

ANNEX A- The results of the new starter survey, completed by 9 individuals who joined us since September.

This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs and as it contains personal data.